Housing

342 The type of house, whether big or lowly, made a difference in the comfort and care of women. The big houses were teak-paneled and floored with a good roof of thatch, tile or corrugated iron. Their high piles insured dryness during flood season. The sleeping and living space was a single airy open room, often with one or two sides balustraded rather than solid, and protected from the weather by the roof's overhang. The kitchen was sometimes a separate room. There was always one small enclosed room, perhaps ten feet square, or larger, with a door and a window. This room was used for keeping valuables under lock, and whenever privacy was desired: as a marriage chamber for bride and groom, or as a quiet room for a senile parent. Because of its almost solid walls, it was poorly ventilated and hot. Childbirth took place in this little room, if convenient, or out in the main part of the house. The fire-rest was in this room so that the dreaded wind could be kept out.

[844]

342 The poor lived in modest earth-floored cottages of bamboo
184 frame, thatch sides and roof, with one or two raised wood plat-
352 forms for sleeping and sitting. In the rainy season, these
844 cottages could be damp. In fact, one October the water was observed ankle deep inside a house, and the wife splashed around at her chores. Under the latter conditions, a woman in childbirth would be moved to some kinsmen's house. Delivery took place on one of the sleeping plarforms, and post-partum rest was on a plank raised off the earth floor, unless space permitted that the plank and temporary fire-floor be placed on the platform. On one observed occasion reed mats as protection from drafts were temporarily set up, making an enclosure about three feet high within which a mother lay in her post-partum rest period.

Cash

434 Cash was short to everyone. The poor felt very poor and
426 the rich did not feel rich. This was because the rice-money,
[556] which came in a lump sum once or twice a year, was at once turned over to clear debts, to make large purchases of agricultural equipment, to repair the house, or to perform elaborate ceremonies. What was left over was not kept around the house for day-to-day expenses for fear of robbery, but was immediately loaned out. Thus cash was not available for emergencies
434 which in childbirth might mean taxis or hospital care. Being
844 rich or poor made little difference in Bang Chan, however, as
556 to the quality of the obstetrical help given.

Within the community all women received about the same service. Though the poor felt the 20 to 30 baht cost[5] of a midwife was too expensive, and so utilized the free help of a compassionate kinsman (usually the mother) or neighbor, the latter sometimes were as expert manually as a midwife or even on their way to becoming one. The few critical cases, rich or poor, who were taken to the Minburī Health Center managed to pay the 60 to 70 baht fee (120 baht if penicillin were used).

General Attitudes Towards Having Children

In these farm families, children were an asset, for their help, skills, and earnings enriched the family. Boys and girls were equally desired. A girl did household chores and at her marriage brought in the considerable payment of "milk money." A boy could be ordained and so "bring merit" to his parents. Both could farm, and both would provide cherishing care to the parents in their old age, but this was expected particularly of daughters. A child usually arrived within a year or so of marriage, to the rejoicing of everyone. Until the birth of a child, marriage only partially changed the young couple's status, especially if they were still living under the parental roof. With children they became the heads of a family, with authority over, and responsibility for, a younger generation. In the few polygymous households, the position of a younger wife was enhanced when she bore a child. Sometimes on the birth of this or another child, the money paid to the bride's parents at the time of the wedding was turned over to the new mother. Title to some of the familial land, never given until a marriage had proved stable, might be conveyed to one spouse or the other. The arrival of a child was sometimes a signal for preparations for moving out and establishing an independent household, or for establishing a "second kitchen," i.e. two separate families living under a single roof. A study of the birth-rituals (Chap. V) gives evidence that the arrival of a child, especially the first, was of deep psychological and social significance to the parents. The marriage bonds were strengthened if the first-born were male (cf. p. 65). A couple without children was "sad" and "a little less rich." Barrenness was caused by lack of merit.

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5. Analysis of Janlekha's figures, borne out in observation, shows that per capita income was low, that there were many poor people, and because of the seasonal nature of income, even the rich were short of cash (1955:135-143). Ninety-two baht were the average "expenses for medicine" including delivery fees (1955:142).

426 Because of scattered farms and frequent shortage of cash, borrowing food and other items, and many exchanges of service were necessary. Blood-kin were easier to approach, and in the larger social unit, nearer. Borrowing from a non-kin neighbor was supposed to be less frequent, and the favor had to be returned more promptly and exactly.

434 Most opportunities for increasing cash income such as hiring out as temporary farm labor, digging canals, marketing eggs, mushrooms, or cooked snacks, took one out of the home, often overnight. In the small family, one partner was left at home. Both could not go because fear of theft forbade leaving a home unoccupied for any length of time.

The Buddhist Priesthood

792 At the temple lived twenty or thirty priests under the abbot, with a group of boys to serve them. The priesthood was maintained by daily voluntary offerings of food, with larger donations of food and commodities at certain times. Persons who thus "made merit," by supporting the priesthood, by giving to the needy, and adhering to the ethical tenets of the Buddhist religion, reaped a reward of health, happiness, wealth and eventually, freedom from rebirth. The immediacy of these beliefs must not be underestimated. Men only were ordained. They might resign at any time after three months, but some spent their lives in the priesthood.

792 In Bang Chan, throughout the year, the priests set out
262 at dawn to receive cooked food for the day. They appeared
431 at houses by more or less specific arrangement and were given a generous share of the food prepared by the family for its own use, sometimes with the addition of fruit and other delicacies. Each priest stopped at two or more houses. The food then was brought to the temple to be eaten at 8 and 11. For the rest of the day the priests fasted, i.e. they ate no solid food, but drank liquids such as tea, soft drinks, and recently, tinned milk and a fortified malted milk drink. Priests were also invited to eat in homes not only at large ceremonies, but at small merit-making occasions. Sporadic special food offerings were also received. If a buffalo died, much of the meat was usually given to the temple. Traditional practitioners, mid-wives, and ceremonialists always gave the priests a portion of the fees from their practice which consisted in 1 or 2 liters of milled rice, a bunch of bananas, and perhaps cash. On the numerous Buddhist holidays and at specially organized temple convocations, quantities of cooked, preserved and raw foods were brought to the temple and apportioned among the priests. From this bounty a meal was served to the priests, who ate while the villagers looked on in satisfaction.

One of the duties of the abbot was to coordinate the

Despite the availability of fish and of vegetables in the canal, the highest cash outlays for family food occurred in this transplanting season. Several factors probably contributed to this: increased food energy needs because of long hours of work, venders again accessible because of high water, cash from sale of last year's crop still in hand, the convenience of cooked foods and snacks, and perhaps the need to replenish household supplies after the long drought, or after their depletion by a ceremony.

The two months of September and October during which the rice grew afforded some respite. People slept a little longer and breakfast was not prepared so early. The skilled cook might take over and could give more attention to food preparation. All who could, took the opportunity to visit and take trips. A few might go on a pilgrimage. Therefore, in this season, all family members were less often together at the evening meal. Fishing was a continuous occupation, with some preserving and home craft. Jobs such as selling food in the market were undertaken for ready cash; houses and equipment were built or repaired. Finally the threshing floor was prepared.

High water caused time-consuming inconvenience only in earth-floored cottages where it was necessary to keep the rice stores and chickens dry, move the cook-stove, and either build plank walks or cook standing ankle deep in water.

By November, the earliest varieties of rice matured. Those who owned several rice fields could put at least one into an early type. Many persons, by then short of rice, were glad to be thus tided over. One grandmother divided her first harvest among her several long-since-independent married children; 2 tangs[1] of milled rice per family, 40 for herself.

The heroic labor of harvest occupied December, January, and February. Farmers raced against the all-too-fast lowering of the water in the canals, without which sheaves could not be moved and buyers could not come for the paddy. People worked all daylight hours in the fields, threshed far into the night. At this time also many varieties of fish matured and men fished night after night. Just when the convenience of purchased food was greatest, cash was exhausted. With rice money in sight, venders might be generous with credit, but they could navigate only the larger canals, so were not available to many.

There was an important psychological difference between

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1. One tang equals 20 liters. Milled rice weighs about 16 kg. per tang.

796 The actual ritual of these ceremonies did not take a great deal of time although it was important. Most of the time and effort went into preparing and serving food. Even a small celebration involved cooperative effort among relatives and friends. For every event, the Buddhist altar in the home was decorated and offerings were made to the house-spirit. A big cremation might require planning in detail for years ahead: invitations to priests and relatives in distant parts of the country; hiring an orchestra and obtaining ceremonial gear. For the largest events, when the guest lists ranged upward to 60 or so priests and 400 other guests, one borrowed the hundreds of trays, dishes and bowls owned by the temple. No rental fee was charged for these, but such items had to be returned the next day, clean, and damaged articles replaced or paid for. As the day or days drew near, boat-loads of fresh provender were bought at big markets, and organized cooperative cooking went on under the direction of a competent person, usually one of the "professional" cooks of the village. The day before one ordination, 33 women were seen preparing vegetables, fish and soup; 13 others were making 7 kinds of desserts; about 50 others of both sexes were at different tasks, the men in particular cooking Chinese noodles, grating coconut, stirring, stoking fires. The picture was one of rows of stoves, pots so large they were stirred with a boat paddle, buckets of sugar, eggs by the hundreds, a hired generator to run a mechanical coconut-grater. On this occasion two meals were served. At another splendid (1)ngaan, the priests were fed three meals, other guests up to eight meals, over a period of two and one-half days. Workers had received additional meals beforehand.

262 The banquet comprised rice and many dishes not met with in daily fare: Chinese noodles; "with-rice" dishes of several kinds, rich in fish, meat and vegetables: for example, fried chicken with internal organs, garlic and pepper; fried pork with mung bean; (2)mii (a fried vermicelli) with fish, vegetables, and a tomato sauce; many different desserts made of eggs, rice flour, glutinous rice, agar, coconut and coconut milk, sugar, sweet potato, dried green beans; flowers served in syrup, fresh fruit such as watermelon; ices and coffee.

128 In Appendix A, p. 102 is a list of foods bought for an annual homage-to-the-teacher rite. It is the nearest approximation to a quantitative record of food for a ceremony that the research group obtained. The prominence of purchased foods, especially of flesh foods, is noteworthy.

264 On the great day, the priests were served first, either at 7 a.m. or 11 a.m., or both, always at least in part by the host, who sat and chatted with them. No one else ate until

4:Phillips E-4,5 (1956-1957) 1966
AO7 Central Thai AO7
Bang Chan

"extended families." The aim of all Bang Chan families even then was to attain a position in which they would be free from such obligations or would have other families dependent upon them.

In the intervening years the influx of new families into Bang Chan, the increased self-sufficiency of the individual nuclear families and, most important, the increased acceptance of commercial values, have served to break down kindred groups so that today few kinsmen work their fields together and even fewer share their food or equipment with one another, beyond what has been noted above. Perhaps the only remaining universally practiced function of the old kindred groups is the celebration of ceremonials involving members of the family, particularly cremations and ordinations, the cost and merit of which are shared among the participants, depending upon their wealth. Very often people do not want to borrow from or lend money or equipment to kinsmen precisely because the intrusion of the kinship tie makes the collection of such debts doubly awkward ("relatives take twice as long in repaying money; I do not want to lend anything to them"). However, the old forms have not been completely obliterated and when necessity requires or personal convenience moves an individual to look to others, the traditions of extended kinship, as indicated earlier, may be invoked.

For purposes of conceptual convenience, two types of kindred may be specified: the kind referred to above which involves kinsmen living in the village and to which Kaufman (1960) gives the name "spatially extended family"; and the type descriptive of relatives living outside Bang Chan, dispersed throughout other villages and provinces or in Bangkok, and called by Kaufman "the remotely extended family" and by L. M. Hanks (1959c) "the multi-local extended family." These terms are of course generic labels descriptive of actual or potential relationships between individuals, not of specifically delimited groups. Sometimes Bang Chaners attempt to extend the definition of the latter type of relationship to individuals who have never heard of them, but who may be in a position to help their son obtain a job in the city or get him admitted into a vocational school. Hanks has shown how the multi-local extended family has to a limited extent in recent years rejuvenated extended kinship ties by becoming the major institutional mechanism through which villagers leave Bang Chan to seek their fortunes elsewhere. (This last phrase is not merely a figure of speech; many young Bang Chan men have what could be called almost a Dick Whittington view about leaving Bang Chan for Bangkok.) A cousin who undertakes to serve as a villager's liaison to a city job or who offers him a place to stay usually does so willingly, for it creates obligations which may be called upon later if need be.

The above description of variations and extensions has been presented

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TABLE 22. AMONG ILLITERATE FARMERS USE OF MOTOR IS LINKED TO WIDER SOCIAL CONTACTS

	Exposure to Influence of Others: Have more friends or about the same		Have fewer friends	
	(Proportion who tried small motor)			
Literacy				
Illiterate	64%	(36)	26%	(27)
Literate	87	(86)	86	(78)
	(Proportion who tried tilapia)			
Illiterate	34%	(36)	15%	(28)
Literate	43%	(86)	26	(27)

[369] This finding corroborates and expands the previous discussion of the culture contact and acceptance of innovations. Exposure to influence of others from outside the community (through contact with the city, with the airport, with the agricultural fair, for example), as well as exposure to the influence of others from within (through friends and associates) clearly relates to the decision to use an innovation such as the motor. Its effectiveness is not felt equally by the whole population, mainly instead, by those who are illiterate.

The significance of these internal and external contacts to illiterates may be that through such contacts they are likely to gain needed information and motivation which, if one can read and write, is available through other sources. If one cannot read and write, however, it is the outside world which provides this kind of needed information.

Capital Investment and Debt

• 426 Bang Chan s economy is largely a money economy and many farmers avail themselves of credit facilities through professional money lenders. Most loans are sought for the purpose of replacing capital equipment and purchasing land and buffalo.*

The present survey secures a rough measure of the extent of such borrowing in Bang Chan. The majority of farmers (39 per cent)

[113] * See Janlekha, Kamol S. A Preliminary Study of the Economic Conditions of Siamese Rice Farmers in Bang Chan, Thailand. M.S. Thesis Cornell University, 1951, p. 73.

admit in response to a direct question* that they have a debt. Confidence in the validity of these responses as an index of indebtedness is increased since the expected correlation between indebtedness and ownership of buffalo is reflected in the survey data.

TABLE 23. INCIDENCE OF REPORTED DEBT IS HIGHER AMONG VILLAGERS WHO REPORT OWNERSHIP OF MORE BUFFALOES

	Reported Ownership of Buffaloes		
	None (81)	One to three (155)	Four or more (97)
"...Do you now have a debt?			
Yes	49%	56%	69%
No	51	44	31

When the use of agricultural innovations is examined for those farmers who say they have a debt, compared with those who deny it, it becomes apparent that there is a relationship only between indebtedness and use of the motor but not with any of the other mentioned innovations. Seventy-nine per cent of the male farmers who said they have a debt own or use the motor; among those who claim they have no debt the proportion owning or using the motor is significantly less (60 per cent).

TABLE 24. INCIDENCE OF MOTOR USE IS HIGHER AMONG FARMERS WHO REPORT INDEBTEDNESS

	"...Do you now have a debt" Yes (125)	No (85)
Motor		
Has used it	79%	60%
Never did	21	40
Tilapia		
Has tried it	37%	33%
Never did	63	67
Fertiliser		
Has used it	14%	16%
Never did	86	84
Mushrooms		
Has tried them	45%	48%
Never did	55	52

**Male farmers only

* The question: "...I'd like to ask about a problem common in rural places all over the world. Do you now have a debt or not?" Janlekha's M.S. thesis, ibid., reports a similar distribution of indebtedness for his sample of 98 farmers.

*178 30
• 426 One is tempted to speculate about the significance of this re-
402 lationship. One possibility deserves further investigation if the data were only available. If one important reason for incurring debts is to secure or to replace capital equipment, then those farmers more willing to make a capital investment, even though they incur a debt, are more likely to use the motor. Conversely, farmers unwilling or unable to contract debts for a basic improvement in their capital equipment might be the ones less likely to adopt an innovation such as the motor.

Other Factors

121 A number of other factors which conceivably might have been expected to differentiate those who tried out these innovations from those who never made an attempt to use them were investigated and proved to have no differentiating power. Factors such as age and family size, for example, were examined to see whether differential acceptance existed among younger compared with older age groups, or small as compared with large families. No such differences appeared. In the same way, the survey's rough measures of community integration and identification, certain religious beliefs and superstitions, certain personality traits, of knowledge of political figures, and willingness to perform industrial work likewise revealed no differential rates of acceptance when groups were compared.

*178 USE OF MODERN HEALTH FACILITIES

743 Improvements in agricultural production must certainly not be
75 viewed as the only efforts worthy of attention to raise the level of living in Bang Chan. Equally important are efforts to train the population to use modern health practices and facilities.

Hospitals have been available since the twenties in Bangkok and a clinic in Minburi since the thirties. Despite these facilities, much curing continues in the traditional way through priests or certain farmers of the locality who have learned from other practitioners to compound medicines, set bones, deliver babies and expel demons.

743 In the present survey the majority of respondents reported
[125] that they have sometime in their lives used hospital or clinic facilities. To the question, "Have you ever been to a clinic or hospital?" 63 per cent answered affirmatively. Less than half of those who replied indicated having gone for their own treatment or hospitalization, the remainder for other reasons. The distribution of responses is given below.

*178
743 Use of Health Facilities and Other Factors Associated With
241 Agricultural Innovations
572 Although use of the basic agricultural innovations was shown
* 426 to be linked to breadth of contacts within the community, on the one hand, and to indebtedness, on the other hand, the association between these factors and use of modern health facilities, although showing the same tendency, is not statistically significant. For the sake of completeness, the figures are reported below:

TABLE 34. NO RELATIONSHIP BETWEEN INDEBTEDNESS OR INTERNAL SOCIAL CONTACTS AND USE OF HOSPITALS AND CLINICS

	"Have you ever been to a clinic or a hospital?"			
	No, never	Yes, for treatment	Yes, for other reasons	Total 100%
Social Contacts:				
"More friends"	31%	33%	34%	(61)
"The same"	40	35	25	(134)
"Fewer friends"	32	41	27	(94)
Do you now have a debt?				
No	40%	32%	28%	(140)
Yes	33	41	26	(192)

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SUMMARY

1. In the community of Bang Chan in Central Thailand, various factors are studied statistically in order better to determine the conditions of acceptance of selected agricultural innovations and conditions for using the facilities of modern medicine in clinics and hospitals. Four agricultural innovations were selected, viz. gasoline motor, raising of fish (tilapia), use of fertilizer, and mushroom culture.

2. The present study was concerned with the initial adoption or trial of innovations, rather than the continuing use of these innovations or the merging of the new with the old features of the culture.

3. While adoption of the gasoline motor was associated with all other agricultural innovations, no generalized acceptance of the new was found because: a) adoption of the gasoline motor bore little or no relation to use of non-agricultural innovations such as hospital and clinic facilities; and b) adoption of gasoline motors was only weakly associated with raising of mushrooms.

4. A cluster of traits including high motivation and sizable capital outlay was associated with the use of the gasoline motor.

The motor users formed a group with higher economic level, greater literacy, higher acceptance of urban ways of life, more frequent exposure to mass media, broader social contacts within the community, and greater use of credit facilities. Illiterate farmers might also be motor users, if their contacts with urban centers were extensive.

5. Acceptance of mushroom culture was a special case of agricultural innovation: a) as distinct from all other attitudes toward innovation, mushroom growers were not marked by their high positive attitudes toward mushroom culture; b) the investment in mushroom raising per se was less than the investment and risk required by other types of agricultural innovation.

6. The mushroom growers as a group distinct from non-mushroom growers were more literate and acceptive of urban ways. Tilapia raisers were of a higher economic level and had greater community contacts than non-tilapia raisers.

7. An hypothesis was offered: that innovations differ in complexity and investment of effort required. The more complex presuppose greater investment, work, risk and postponement of returns; hence this complex kind requires greater motivation than the simpler ones such as mushroom raising.

8. Use of hospital and clinic facilities was more frequent among the literate, those exposed to mass media, those accepting of urban ways and those having greater contacts with the city. Unlike acceptors of agricultural innovations, users of modern medical facilities were not of a higher economic level than non-users and could not be clearly distinguished on the basis of breadth of contact within the community or use of credit facilities.

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125 [513] f. During the last year, did it occur to you frequently, sometimes, or never that you had a nightmare?

4.	Frequently	16
5.	Occasionally	120
6.	Never	197

[546] 35. In your life, how many times have you seen a movie, or haven't you ever seen one?

5.	Ten times and more	161
6.	4 to 9 times	60
7.	1 to 3 times	75
8.	Never	33
—	No Answer	4

[426] 36.a. Excuse me, I'd like to ask about a problem common in rural places all over the world. Do you now have a debt or not?

5.	Yes	192
6.	No	140
7.	Unascertainable	1

b. IF YES: Is your debt now higher, or lower, or about the same as it was two years ago?

8.	Higher	68
9.	Lower	95
X.	About the same	28
Y.	Unascertainable	1

c. IF NO: How about two years ago, did you have a debt then or not?

9.	Yes	61
X.	No	78
Y.	Unascertainable	—
—	No Answer	1

[441] 37.a. Do you or anybody in your household buy certain products in order to resell them at a profit?

9.	Yes	85
X.	No	242
Y.	Unascertainable	2
—	No Answer	4

b. IF YES: Do (you/they) sell things regularly, occasionally or just at festival times?

7.	Regularly	31
8.	Occasionally	49
9.	Just at festival times	5
X.	Unascertainable	—

[241] 38.a. And now, I would like to know a little more about fertiliser. Do you think fertiliser is very good, fairly good or bad?

1.	Very good	106
2.	Fairly good	149
3.	Bad	15
4.	Unascertainable	63

59 themselves up ; financially to compete with A's parents.

The same informant said further, however, that usually it was up to the couple themselves to decide when to leave the old family. Parents, in his words, "rarely drive the offspring out. They also rarely resist the couple's decision to leave. The most they can do in case labor is badly needed is to ask the couple to stay a year or two longer."

591 494 On the other hand, a second informant, a headman as was the first, indicated that the five-year period he and his wife spent with his wife's parents immediately after their marriage in 1922 was their most prosperous time. As [431] lampai the couple were given the harvest from a 5-rai parcel each year. When he married, he already had five baht weight [426] of gold. With surplus income, he was engaged in lending for interest. Accumulation during their five years' stay with the parents included timber enough to construct the new home when they moved out, one hundred tang of paddy, and forty baht weight of gold.

As a matter of fact, there are several factors that should be taken into consideration in evaluating the advantages and disadvantages of a newly wed couple undergoing the nascent period. These are the lampai arrangement, willingness of the parents to let the couple earn extra income from sources outside the family, current wage rate and job opportunity, and, most important, the current profitability of the farming business which is assumed to be the alternative

*243
434 on a small plot that they own or rent, but all families
463 in this category derive their main income from wages.

3. Trader. Main income from the more or less regular sale, not production, of rather considerable amounts of goods. Perhaps somewhat arbitrarily, we have not included in this category those very few families who derive their main income from production of cookies or the like, even though such families might themselves perform the selling of their products to local consumers; such families are included in the 'home enterpriser' category below.

[426]
[427] 4. Investor. Main income from land rent, interest on loans, and/or speculative gain.

5. Professional. Main income from such specialties as midwifery or dramatic entertainment.

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647 6. Public servant. Main income from, or majority of
463 working time spent in, government employment. This is the only category in which we had to add the additional criterion of "majority of working time"; government pay is rather low, and one person who works full time in the employ of the government actually receives more income from other sources.
[875] This category includes regular government officials, teachers
[622] and school janitors. The hamlet headmen are not included, however, as their main incomes are otherwise derived and their remuneration from the government is extremely low. They maintain no daily routine as public servants. The headmen are all farm operators, except one who is an investor.

621 four in the immediate neighborhood of the temple or on the
463 temple ground itself, and three on the banks of up-canal
443 Bangchan. These stores varied in the size of business but the goods sold were almost identical. To be found in each store were inexpensive articles of daily use, mostly dry foods, cookies, tobacco, betel, areca, lime, toilet articles, matches, kerosene, and farm materials like ropes. Most of these stores also sold hot coffee, soft drinks, and liquor. It should be noted in this connection that the market town is only two miles away. This nearness to a large market adversely affects the nature and volume of business of local traders in two ways -- villagers bypass local stores and go to the market town for varieties and large purchase, and the village is daily invaded by a number of peddlers from the town selling perishable foods.

443 While local stores operated the whole year round, the
463 activities of twelve other trader families classified as peddlers were highly seasonal subject to local water condition, seasonal demand for purchased food, seasonal supply of cash, and alternative income on the part of the peddlers themselves. These peddlers sold small quantities of vegetables, fruit, and the cheap salt water platoo fish (Rastrelliger chrysozonus), receiving in exchange from buyers cash, [426] eggs, or paddy. Extension of credit was necessary for villagers did not have cash especially during the period from July to November. The following passages in the author's daily note dated January 12, 1953 gives an idea as to how

443 she wanted to spend more time collecting debts."

221 433 434 443 261 262 It should be noted that A's brief duration of peddling started in the harvesting season. During this time the village cash supply was high, resulting in demand for such a delicacy as pork which normally constituted a negligible fraction of the diet of Bangchan people. This is a good business period for the peddlers. Another good business period, although not as good as the harvesting time, is in the transplanting season, when farmers are too busy to procure their own food (by fishing). In this latter period, farmers are not particular about food, and "anything eatable sells, provided liberal credit is allowed" for people have neither time nor money.

443 It should be noted also that many smaller peddlers did not go to Bangkok as did Nang A. The small peddlers, who operated on a very limited working capital, had to sell their eggs to larger peddlers at discounted prices. Our records show that only three or four peddlers took regular trips to Bangkok.

427 434 454 621 463 426 Five families were classified as investors in 1953. All these families lived on rents from land, interest on loans, and income from speculative sources such as buying paddy when the price was low and selling it at high prices. Actually, most of these five families were not among large land owners in the village. Their combined land was only 134 rai, averaging only 27 rai per family and ranging from 10 to 76 rai. This is a small acreage in comparison to

427 the combined land of five leading farm operators of 693
434 rai, averaging 139 rai per operator and ranging from 83
454 to 235 rai. It must be remembered that our operational
621 definition of occupations was based on the main source of
463 income and that many of the villagers had more than one
426 source of income. Investors as an occupational class in Bangchan should not be pictured as large landlords and large money lenders, possessing financial influences over their tenants and debtors. Rather, they were humble fellow villagers whose incomes were mainly derived from rents of small parcels of land or interest on small loans. To cite an extreme case, one aged woman was classified as an investor. She had only 17 rai which she rented out to her own son. She was living alone in an old shack and was too old to do any kind of work. She received as rent about a hundred tang of paddy a year which is equivalent to an annual income of only 800 baht. Thus she was considered one among the poor in the village.

178 There were three families whose occupations were
463 classified as professional in 1949. The number was reduced
621 to one in 1953. The head of this family was a Chinese car-
322 penter who derived his income primarily from boat building. Again, it must be pointed out that reduction of the number of families primarily engaged in professional services does not mean that professional services had been declining.
[305] On the contrary, they had been increasing. There were three barbers in 1953 as against only one in 1949. More traditional

243 In 1953, figure for the size of the crop was not
423 available, but we may use the 1948-52 average of 28.8 tang
434 per rai. With the year's farm price of 9.00 baht per tang,
435 receipt may be calculated at 259 baht per rai. Using the
427 same cost, again excluding rent, of 166 baht as in 1948, a residual return to land may be estimated at 93 baht per rai.

Capitalized value of land may be calculated from the formula $v = \frac{a}{r}$ where 'v' stands for capitalized value of land, 'a' for income from the land, 'r' for the rate of interest prevailing in the locality.[16]

When the calculated residual return to land is used, the capitalized value of farm land in Bangchan (Zones 2-7) is found to be 573 baht per rai in 1948, and 620 baht per rai in 1953. When income deriving from explicit rent is used in the calculation, however, the capitalized values become 327 baht per rai in 1948 and 487 baht per rai in 1953.

178 It is interesting to note that capitalized values of
423 land computed from these two different types of income were
434 closer to each other in 1953 (487 baht computed from income
427 deriving from explicit rent as against 620 baht computed
435 from the calculated residual return to land) than in 1948 (327 baht computed from income deriving from explicit rent as against 573 baht computed from the calculated residual return to land). In other words, landlords are now receiving a larger proportion of the residual after payment of all

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[426] 16. The rate of interest of 15 per cent per year is used. This is the minimum going rate with security. Without security, the rate may be as high as 30 to 50 per cent per year.

243 426 432 Differentiation in paddy prices is limited to cases where farmers have received in advance the payment for paddy to be delivered at harvesting time. This is a common practice which is called in Thai "tog khao" (lit., fall rice). Usually, the advance price received by the farmer is about half or not more than three-fifths of what he would normally receive. Considering that cash is usually received about a month or two before the delivery of the paddy, it would seem that tog khao is a kind of loan with as high a rate of interest as from 25 to 50 per cent per month.

243 426 465 A similar practice is adopted with respect to advanced payment for piecework, where pieceworkers are committed to uproot, transplant, or harvest at about half of the prevailing rates. This is called tog raeng (lit., fall labor).

243 128 427 Tables 24 and 25, in the section on land tenure of Chapter III, show a wide range of rental rates of rice lands which have not demonstrated any marked difference in crop producing ability.

Rates of interest in Bangchan vary greatly from 0 to 10 per cent per month. This topic will be discussed more fully in later sections of this chapter.

243 434 556 The important point that should be observed in connection with these differentials in paddy prices, rates of interest, rentals, and wage is that it is the less affluent farmers who usually bear the burden of higher costs due to these practices. Thus, these differentiations serve only to widen the gap between poor and well-to-do farmers.

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*128
434 the loans previously extended to them. Among the five operators reporting sales of farm equipment, one sold his part of the joint ownership of an engine in order to buy a new one for his own, three sold their old buffaloes and bought younger ones, and one -- the inventor of the propeller windmill mentioned earlier in this dissertation -- sold windmills and other farm implements he made for sale.

434 The average amount of money received from loan set-
426 tlement during the past five years of 1,700 baht appeared
432 to be too small considering that the amount of loans ex-
511 tended by the sample-families during the period was as high as 51,630 baht and that the ability of these sample-families to settle loans extended to them was 101,530 baht out of a total of 141,100 baht. An explanation for this lies in switching of debt responsibility. At least one case was known where an operator, who was in debt to a fellow farm operator, sold a parcel of land to a third party at 11,000 baht. This buyer, apparently not having enough cash, arranged that he would assume responsibility for the amount of 8,000 baht which the seller of the parcel owed the other farm operator and would pay only the balance of 3,000 baht to the seller in cash. Strictly speaking, the creditor should report that he received a certain amount as loan repayment (actually, 4,000 baht for the principal and 4,000 baht for interest of 25 per cent for four years) and spent this same amount on loan extension. Actually, however, only the seller of the parcel reported that he had sold a

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426 parcel of land and had cleared off his debt. The creditor
432 did not report anything about this deal, for he really did
511 not receive a cent out of the arrangement.

434 Loan obtained is the largest item of special receipts
426 involving 29 farm operators and 141,100 baht. The following
511 were the purposes of the loans sought as given by borrowers: land purchase, 7 cases; buffalo purchase, 3 cases; sponsoring rituals, 3 cases; to partially defray ordinary household expenses which exceeded cash incomes especially in years of poor crop, 16 cases; and to cover major medical expenses, 2 cases (two operators listed two combined purposes of the loan, hence the total becomes 31 instead of 29 if there is only one purpose for each case).

*128 Net Accumulation of Assets

434 Figures of net accumulation of assets within a certain
511 period are valuable to the understanding of the economic conditions of farm operators in that they show the economic achievement, or the internal saving, of these operators. In order to obtain exact figures, however, it is necessary that we have complete inventories of the farm families at the beginning as well as the end of the period. Since our data on inventories of the sample-families for 1948 and 1953 are incomplete, especially we are totally unaware of the quantitative debt situation in 1948, we cannot use the simple method of subtracting the net worth as of February, 1953 from that as of March, 1948 to determine net accumulation

7: Janlekha X-4,5 (1948-1953)1956 AO7 Central Thai AO7
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434 was considered as spent in land purchase. If, however,
432 he made another partial payment of 2,000 baht during the
511 period covered by the study, a total of 3,000 baht was considered. Since purchases of gold and household equipment are normally made with cash, a total of cash spent on these three items (land, household equipment and gold) would seem to fairly well indicate the extent of internal saving of each family. The assumption here is that one would not
434
426 borrow money to buy gold or a gun. With this correction
511 the figure remaining will represent a change in net assets, if we can assume no other changes in the debt situation. For those who bought these assets, it is very unlikely that any increase in outside debt occurred. The reason for this belief lies in interest rate differences: any person with some cash (which may be borrowed at low rate of interest in case he was about to buy land) would rather settle his high interest bearing debts first before buying household equipment or gold or making down payment for land. For those who did not buy these assets, some increase in debt for consumption purposes may have occurred. Both groups may have decreased debts during this period. The most likely assumption is that those buying land experienced a net decrease in debts other than those incurred in buying land, while those not buying such assets experienced a net increase in debts. The balance was probably one of some
[454] increase in debt in the village. Therefore, although these figures for net accumulation of assets provide a fair

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426 representation of internal savings in the community, they
454 probably overstate this increase somewhat.
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When calculated in the manner outlined above, the
511 net accumulation of assets of our 96 sample-families was
434 found to total 84,942 both during the period from March, 1948 to February, 1953, averaging 885 baht per family per year. The frequency distribution of this accumulation of assets is shown in Table 59.

It is seen that of 96 sample-families, 90 had positive accumulation while only 6 had negative accumulation. Fifty-six or more than half of the total number of families studied had an accumulation of assets in the class interval between 0 and 999 baht. The highest amount of accumulation was found to be 9,000 baht, while the lowest was -10,470 baht.

We should examine the figures of Table 59 more closely before drawing a sweeping conclusion from the mere fact that 90 out of 96 sample-families had positive accumulation. In the first place, the raw data show that of the 56 families reporting accumulation in the class interval of 0 - 999 baht, there were 42 families whose accumulation was 0. Thus the number of families with positive accumulation was really not 90, but actually 48 or only half of the total sample-
[435] families. Besides, consideration must be paid to the fact that gold is not only a kind of security but also an article of prestige as well, and a gold necklace of 15 - 30 gram weight valued at 500 - 1,000 baht is usually worn by a rural Thai who can afford one. When a person reappears in the

[TEXT CONTINUED ON PAGE 340]

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434 village after long absence, his achievement will be judged not by the words from his mouth but by whether he has less or more gold than the time he left the village. The importance of gold as a prestige item being as it is, it is not surprising at all to see that a farm operator who did not have any gold will tend to buy a necklace when he receives a lump sum from the sale of rice although he knows that the amount would not last until the next harvest even without that extra expense on the necklace. When this farm operator ran out of money say in July or August, he would rather go into debt than part with that necklace if it really is his only adornment. Tables 57 and 58 show that within the five-year period there were 48 families buying in gold as against only four families selling out gold and that the average for those buying in was 1,341 baht per family while the average for those selling out was 3,038 baht, indicating that when financial pressure arose it was the families having more gold than necessary for display that tend to sell it. Realizing this situation, the author thinks that it is justifiable to give an allowance of about 1,000 baht for gold purchased for prestige purposes. If we agree on this point, there would remain only 34 families demonstrating accumulation of wealth, possibly through internal savings.

Debt Situation

• 426
511 In order to understand the debt situation in Bangchan, it is necessary to distinguish debts created by purchasing goods on credit, which we shall henceforth call credit

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426 511 purchase, from debts created by loans. The tendency among policy makers and scholars to use the general term "debt" without specifying which is which has often led to confusion which we shall see later in this section.

128 Debts, both credit purchase and loans, are the most difficult subject of this study as far as information gathering is concerned. In a culture where prestige counts more heavily than profit, this is a delicate topic from which an ordinary informant usually shies away.

128 426 511 Although it was realized that farm indebtedness was very essential in the understanding of the economic condition of farm operators in Bangchan as well as elsewhere, in the first year of our study (during 1948-49) only fragmentary information was obtained and we were unable to present comprehensive statistical statements as to the incidence of particular types of credit in the preliminary report in which only categories were given. Since these categories are valuable as background information, they will be restated as follows:

Types of credit

1. According to length of the term
   a. Short term -- a few months
   b. Long term -- one or several years

2. According to amount
   a. Small -- less than 1,000 baht
   b. Large -- 1,000 baht or over

3. According to the nature of relationship between parties to the loan
   a. Among blood relationship or close friendship
   b. Others

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4. According to type of security, if any
   a. Land
   b. Gold, jewelry, or other movable asset
   c. No security

5. According to the nature of the contract
   a. Oral contract
   b. Written contract

6. According to rate of interest
   a. High
      (1) For small loans, from 5 per cent per month and over
      (2) For large loans, from 2 1/2 per cent per month and over
   b. Low -- anything lower than above. Some rates would thus be considered low even though they were in excess of the maximum legal rate of 1 1/4 per cent per month
   c. No interest

Types of source of credit

1. According to location
   a. Local -- within the village or immediate neighborhood
   b. Near -- in more distant hamlets in Bangchan and Kannayao Communes, in the market town of Minburi, and in nearby villages like Bangkhuad or Wat Khoo.
   c. Far -- in Bangkok and such towns as Dhonburi or Nonburi.

2. According to lender
   a. Non-affluent persons who give the loan only on the appeal of a relative or friend in need
   b. Affluent farmers who lend money for interest as a secondary income
   c. Villagers whose primary source of income is money-lending
   d. Chinese rice dealers residing nearby who regularly buy local rice surpluses. These dealers lend money for the purposes of:
      (1) Gaining income from interest -- usually loans are small with high rate of interest
      (2) Promoting a rice trade relationship with borrowers -- usually loans are small with low rate of interest or no interest at all
   e. Local store-keepers sell items on credit -- the amount extended depends on character.
   f. Money-lenders in Bangkok and other large population centers -- usually mortgage term is required.

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In our second visit during 1952-53 our informants appeared to talk more freely on the topic of debts, especially when they were interviewed on the kinds and amounts of special expenses and receipts. At the beginning we did not ask our sample-operators direct questions on the amount of credit purchase or loan they were having. Only casual information pertaining to debts that arose during the discussion of related topics was noted and filed separately by the informant and also by the person referred to both as a lender and as a borrower. It was noticed that while most informants did not want to lay bare the whole situation of their debts, they were rather cooperative and sometimes even eager to make partial statements as long as an answer to the blunt question "How much do you owe now?" could be avoided. For example, one of the 96 sample-operators was telling the author the amounts of outstanding debts of some of his fellow operators (ranging from 3,000 baht to 15,000 baht) and proceeded on to generalize that rice farmers had to go into debts at one time or another. The author, thinking that that was the most opportune time to ask the man about his own debts, raised the blunt question just mentioned. The informant replied, "Just about the same amounts as these people are owing." He then changed the subject, indicating an unwillingness to give the exact amount of his outstanding debts. In the conversation that followed, however, he eagerly stated that he had been able since 1948 to clear off as much as 21,000 baht of debts. When asked how much a proportion

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that was to the total amount of his debts, he paused to calculate and then said it was exactly three-fourths of the total. The author then asked whether he was right in figuring that the man's current outstanding debt was 7,000 baht. The informant admitted that that was the correct figure.

There were, however, some twenty farm operators in our sample who took the author as one of their family members, and were thus very cooperative in giving any information that the author wished to have. Thus, by the end of 1952 we had a considerable amount of data on loans. Constantly checking available information in the files, from the dry season of 1953 onward the author put more effort in getting the debt situation of each of our 96 sample-families, concentrating first on the extent of loans and their respective interest rates. During the inundation period of 1953, effort was shifted to getting information about credit purchases and their respective rates of interest which were brought up to date as of December of the same year. Information on loans was also brought up to date at this same time which may be considered as the end of business year because the early varieties of rice were being harvested at this time of the year. Table 60 shows the classification of farm operators according to kind of debts involved as of the time immediately preceding the sale of the early varieties of rice.

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It is seen that there were only two non-responses out of the total of 96 sample-families. Among these 94 farm

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TABLE 60

CLASSIFICATION OF 96 SAMPLE-OPERATORS ACCORDING TO OUTSTANDING DEBTS
AS OF DECEMBER, 1953
Bangchan, Thailand

Classification	Number of Operators	Amount of Debt in Baht		
		Long-term	Credit Purchase	Total
No debts of any kind	37	--	--	--
Long-term debts only	15	90,600	--	90,600
Credit purchase only	23	--	23,870	23,870
Long-term debts and credit purchase	19	65,850	13,850	79,700
No response	2	--	--	--
Total	96	156,450	37,720	194,170

7: Janlekha X-4.5 (1948-1953)p956 AO7 Central Thai AO7
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*128 • 426 511 operators reporting their debt situation, 37 had no debt of any kind, 15 had long-term debts only, 23 had credit purchases only, and 19 had both long-term debts and credit purchases. Frequency distributions of credit purchases and of long-term loans are shown in Tables 61 and 62 respectively.

426 829 511 The debt situation in Bangchan can be best revealed by quoting directly some of the remarks made by villagers as follows:

"Rice farmers must have debts. Whoever can so manage to avoid debts should be placed on the financially sound list."

"I have been thinking, all day and all night, of the way to avoid debts -- and all in vain. They finally come to a total of one thousand baht with five hundred baht interest every year. I clear them all every year also. Those who cannot clear this kind of debts are sure dead."

"I always pay cash -- afraid of debts."

"Money-flower[8] (a direct translation of the Thai word for interest) is really a peculiar kind of flower. It blooms best in times of drought and flood."

426 511 000 Apparently, the term "debts" as used in the above quotations refers primarily to credit purchases. It is not difficult to see how these credit purchases have become institutionalized in the rural areas of Thailand. Writing

8. Thai word for interest is dorg-bia (lit., flower of money).

[TEXT CONTINUED ON PAGE 349]

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TABLE 61

FREQUENCY DISTRIBUTION OF CREDIT PURCHASES
OF 96 SAMPLE-OPERATORS
Bangchan, Thailand, December, 1953

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Amounts in Baht	Number of Operators
3,500 and over	1
3,000 - 3,499	1
2,500 - 2,999	1
2,000 - 2,499	2
1,500 - 1,999	2
1,000 - 1,499	11
500 - 999	14
Under 500	10
No credit purchase	37
No response	17
Total	96

Mean . . . 898 baht for those reporting any credit purchase

Median . . 911 baht for those reporting any credit purchase

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TABLE 62

FREQUENCY DISTRIBUTION OF LONG-TERM LOANS
OF 96 SAMPLE-OPERATORS
Bangchan, Thailand, December, 1953

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Amounts in Baht	Number of Operators
30,000 and over	1
20,000 - 29,999	1
10,000 - 19,999	1
9,000 - 9,999	0
8,000 - 8,999	2
7,000 - 7,999	2
6,000 - 6,999	1
5,000 - 5,999	2
4,000 - 4,999	2
3,000 - 3,999	5
2,000 - 2,999	6
1,000 - 1,999	10
Under 1,000	1
No loans	60
No response	2
Total	96

Mean . . . 4,601 baht for those reporting any loan

Median . . 2,850 baht for those reporting any loan

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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Writing on economic change in Thailand since 1850, Ingram points out that soon after the Bowring Treaty (1854) the population of Thailand tended to specialize more and more in the production of one major crop (rice) and a small number of other primary products, selling these products for money, and using the money to buy various articles of consumption. "Money thus came to play an increasingly important role in an economy in which it had formerly been of but minor significance. When Western traders were freed by the Bowring Treaty to put such products as cheap cotton prints on the Thai market, the people bought these products and, if they could not buy they sought a source of money income. Money could most easily be acquired by producing some commodity for the export market. As villages and households turned to the production of money crops, and as they began to purchase bright-colored garments from the traders, the household crafts declined. Cotton fields were perhaps used for rice or abandoned in favor of land suitable for rice. With the money income earned through the export market, the farmer bought the goods he had formerly made for himself."[9] The money economy had brought along its inevitable companion -- credit, which had become accentuated by the fact that Thai rice farmers received their principal incomes only once a year. There has been a tendency to trace the perpetuation of farm indebtedness to farm poverty which is in turn traced to low productivity in underdeveloped areas. While this is

9. Ingram, op. cit., p. 36.

243 178 426 43 perfectly true especially among the under-sized farms in Bangchan, there is still to be explained why more affluent farm operators are also continually in debt. It has been observed that when people come into contact with superior goods or superior patterns of consumption, with new articles or new ways of meeting old wants, they are apt to feel after a while a certain restlessness and dissatisfaction. Their knowledge is extended, their imagination stimulated; new desires are aroused, the propensity to consume is shifted upward. This principle according to which individual consumption functions are interrelated was propounded by Duesenberry, who calls it the "demonstration effect."[10] When the list of new items of consumption is checked, it appears that this principle of demonstration effect has demonstrated itself very clearly in Bangchan.

426 432 (128) Table 63 shows that in the majority of cases credit purchases bear an interest of 50 per cent per season, ranging from 0 to 67 per cent. Information from sources other than our sample farm operators reveals that two methods of interest charging were practiced by Bangchan storekeepers and peddlers. One method was to charge 40 per cent interest on credit purchasesmade during March - May, 30 per cent during June - the first half of November, and no interest on purchases made in the second half of November and after; all these rates were charged on the assumption that accounts would

10. This is about the receipt from 8.4 rai in 1953.

[TEXT CONTINUED ON PAGE 352]

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TABLE 63

CLASSIFICATION OF CREDIT PURCHASES ACCORDING TO RATE OF INTEREST CHARGED
Bangchan, Thailand, December, 1953

• 426

Rates of Interest In Per Cent Per Season	Number of Cases	Total Amount of Credit Purchase
		baht
0	4	1,100
15	1	3,000
50	37	33,320
67	1	300
Total	43*	37,720

* One operator reported two credit purchases at different rates of interest, so there were 42 operators involved.

426 be settled at harvesting time in December or January. If
432 buyers failed to settle their accounts at harvesting time, a flat rate of interest of 5 per cent per month would be charged on the total amount (principal plus interest) until the whole debt was settled.

Another method was more simple: 50 per cent interest was charged to the amount purchased regardless of the time of purchase. The only exception was that no interest was charged on purchases made after the first half of November. Here, again, the assumption was that accounts would be settled at harvesting time. In case buyers failed to settle their accounts at the specified time, the same rate of interest of 5 per cent per month was charged on the total as in the case of the first method.

Our records show that there were nine among our sample-operators who failed to clear their credit purchase accounts at the harvesting time of the 1951-52 crop. These accounts, principal as well as interest, were considered as loans with interest rate of 5 per cent per month or 60 per cent per year payable at the harvesting time of the next crop, that is the 1952-53 crop. The shifting of purchase accounts into loans was done in order to simplify bookkeeping work on the part of both debtor and creditor, for these delinquent customers were likely to start their credit purchases again in order to get by until the next harvest. The total account of these nine operators was 19,550 baht, averaging 2,172 baht per case. This appears

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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426 in Table 64 under the item of loans with 60 per cent interest.
432 It is seen that these operators would have to pay an average of 1,303 baht as annual interest for this account alone. This explains why it was claimed by the villagers themselves that "those who cannot clear this kind of debts are sure dead." One way to avoid this adversity was to seek a long-term loan at the ordinary rate of interest of two per cent per month (Table 64) to replace the high interest loan created by credit purchases. In the previous section on special receipts, it was mentioned that 16 of a total of 29 farm operators in our sample who had sought loans during the past five years said that the loans were needed to defray ordinary household expenses. Obviously, the nine operators had tried to get loans with lower rates of interest to settle their accounts with the storekeepers but they could not get any.

Table 60 shows that of a total outstanding debt of 194,170 baht, more than three-fourths was in the form of loans and less than one-fourth was in the form of credit purchases. Although the majority of cases of aquisition of loans were found to have as their purpose the clearing of higher interest bearing debts, quantitatively speaking each of these was a small loan. Most other loans were sought for land purchases and buffalo purchases. Although these latter were fewer in number, they were larger in amount. It may then be said that a major portion of loan monies were sought for investment or productive purposes while

[TEXT CONTINUED ON PAGE 355]

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TABLE 64

CLASSIFICATION OF LONG-TERM LOANS
ACCORDING TO RATE OF INTEREST CHARGED
Bangchan, Thailand, December, 1953

• 426

Rates of Interest in Per Cent Per Year	Number of Cases	Total Amount of Long-term Loans
		baht
0	1	700
12	6	21,666
15	2	5,667
18	1	1,600
24	15	82,267
30	1	3,000
60	9	19,550
not reported	2	22,000
Total	37*	156,450

* Two operators reported several loans of different rates of interest: one, three loans -- and the other, two such loans. So there were actually 34 operators involved.

426
432 credit purchases were almost entirely for consumption purposes. The distinction can then be drawn that whereas credit purchases with high rates of interest indicate a shortage of cash due primarily to poverty, loans with lower interest rates do not necessarily serve as such an indicator. Thus, any survey bringing out only the total amount of debts does not shed as much light on the economic situation of the area as it would if the debts are itemized into loans and credit purchases.

Another important point is that farmers tended to clear off their credit purchase accounts the moment they were in a position to do so because they did not want to bear the burden of a very high rate of interest. Even in cases where they had a more pressing need for the use of the cash in hand during harvesting time, their creditors would be around to demand the settlement of debts. To these creditors, a relatively high return of five per cent per month was no longer a good business, for it is obvious that those farmers who would not settle their high interest bearing accounts during harvesting time must certainly be hard up and hence a poor risk. Besides, it will take another full year to collect the debts if they could at all. As a result, most of credit purchase accounts were usually cleared in Januaryof each year when farmers started to sell their early varieties of rice. It is seen, then, that for each year the total amount of credit purchase accounts was highest in December and lowest by the end of January, if not nil.

7: Janlekha X-4,5 (1948-1953)p956 AO7 Central Thai AO7
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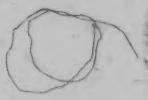

426 Thus, figures of total debts alone are almost meaningless
432 unless they are itemized and the date when such accounts
*128 are outstanding is specified.

*128 Cash Situation and Role of Paddy
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It is not the purpose of this study to quantify the cash situation in the village. Even mere estimation would already be too ambitious a task for a study of this nature. We propose, therefore, to give only an outline of the cash situation with the hope that it may serve as background information for further research along this line.

434 1. Extent of money in circulation

a. Incoming

Village net exportable rice: Total crop -- seeds (1 1/2 tang per rai) -- amount consumed by the family (30 tang per man-unit) -- feed or amount consumed by poultry (4 tang per chicken-unit: rooster, 1 unit; layer, 1 unit; chic, 1/4 unit; duck, 1 unit).

Village net exportable poultry products: Total egg production -- amount locally consumed, and total young roosters (7 months old) -- amount saved for breeding purposes.

Money regularly earned from outside sources: wages and salaries (teachers, headmen, janitors, workers on highways, and other workers drawing pay from outside sources); rentals (paid to village residents owning lands in other villages); remittances from outside; dividends if any.

Exportation of other products: mushroom, lotus.

Loans obtained outside the village.

Settlement of loans extended to outsiders (very limited, if any at all).

Sales of lands, gold and jewelries, capital goods to outsiders.

432
426 It has been observed that most business transactions were done on credit. When the farmer went to town to receive payment for his paddy from the rice dealers, he would at the same time settle his accounts with the lumber yard and several dry-goods stores. So actually in many cases cash was not brought into the village except in limited amounts.

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[674] People do not like to carry a large amount of cash around in the village for inherent fear of robbery which rarely happens. Chinese rice dealers prefer to pay for the paddy they bought at their own home. If sellers insist that the money should be brought to them in the village, the dealers will break the total of say 5,000 baht into one or two thousand baht at each of three or four payments.

Villagers also do not like to keep a large amount of cash at home. In case the payment for paddy sold is to be made at the farmer's home, he would arrange for borrowers to come to his home at the same time so that the money will be immediately passed on to the others, thus avoiding risk involved in keeping cash. One of our sample operators said that he arranged a few years ago that a large sum of 10,000 baht be paid at his home so that he might pass the whole amount immediately to the owner of a parcel of land he agreed to buy. Everybody in his household was frantic when the money was received from the Chinese dealer but the

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seller of the land did not show up until the next morning. Recruit had to be made for guns and men to guard the money for that whole long night.

3. Scarcity of money

Scarcity of money exists in Bangchan because there is, relative to the demand for purchased goods and services, only a small margin between the price received and the cash outlay of producing paddy. Another reason is that most farms are too small, thus yielding small net cash incomes to the majority of farm operators in the village. Small incomes of farm operators who constitute the core of village economy means also small incomes of the rest of the village population whose financial condition directly or indirectly depends on incomes of farm operators.

Scarcity of money is directly evidenced by shortage of money during theperiod from July to December. It is also indicated by high rates of interest on credit purchases and loans sought in the village.

The problem of scarcity of money has been rendered more acute by the fact that affluent farmers do not like to keep cash at home or put it in liquid form such as in saving bank in the nearby market town, but prefer to invest it in a more or less non-liquid form such as loans or land purchases. Some of those who had accumulated a large amount also tend to spend it on sponsoring of rituals costing as high as several

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thousand baht to more than ten thousand baht which is a real drain on the village cash supply.

These huge expenses are, however, partially compensated by such items as loans sought from outside or sale of lands and other assets. It cannot be expected, however, that these items would provide enough supply of cash to bring down the rate of interest in the village.

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4. Role of paddy

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Paddy is extensively used in the village as a medium of exchange. It is used in both small transactions of a few baht and large transactions of several thousand baht. Thus paddy stock may almost be considered as equivalent of a bank balance.

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The most important consumption uses of paddy are as seeds and for human consumption. In order to make it really comparable to a bank balance, allowance must be made for the amount necessary for seeds and human consumption although the amount for chicken feed may be dispensed with because the farmer may choose to drop his poultry enterprise. On this basis, we have arbitrarily coined a term "index of capital formation potential with present levels of living" to represent the amount of paddy in tang which is left at the operator's disposal at the end of March after allowance for seeds and family consumption has been made. No allowance is made for special consumption expenses such

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The lean time from the middle of February to the end of May is devoted by some villagers, mostly young men, to wage earning outside the village. The size of this temporary labor migration depends on the job opportunities, and these job opportunities depend largely on personal contact. Seasonal off farm jobs are: (a) crude carpentry work usually on nonpermanent construction where cheap temporary labor is preferred; and (b) plantation work in the sugar cane region of Cholburi some eighty miles east of Bangkok.

Inherent Excess of Expenses over Income

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The prevalence of debts in the form of credit purchases among Bangchan farmers indicates an excess of expenses over incomes. It has been shown that most cash loans were sought to clear high interest bearing credit purchase accounts, although some were for productive purposes. Even in this latter case, it has been observed that farmers usually borrowed no more than an amount that was immediately needed together with cash on hand to pay for the capital investment. This means that after such capital purchases there was less cash for the household and operating expenses, and so there would be a higher credit account to be settled in the following harvest.

Low incomes coupled with relatively high expenses leave little or no room for internal savings.

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The situation is aggravated by an increasing rate of consumption relative to the ability to produce. While

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434 production method and farm organization remained the same throughout, there had arisen in the course of the past four or five years new items of consumption including wrist watches, fountain pens, hair do, Coco-cola, invitation cards, admission to Miss Thailand contest, etc., which demonstrate the operation of the principle of demonstration effect par excellence. It is not difficult to see, then, that any chance increase in cash incomes due to favorable weather and economic conditions tends to be absorbed in consumption.

While consumption correspondingly expands with an increase in income, it does not decline with a contraction of income -- at least not in the same proportion. This is the principal reason for farm poverty in rice growing areas where only a single-crop system is practiced and where fluctuation of crop yield is a normal phenomenon.

As a result, the excess of expenses over incomes
[426] tends to persist. High rates of interest also have made this excess greater and greater among those who fail to make proper adjustment in their credit situation. Thus, the less affluent farmers are not only poor but are actually getting poorer and poorer.

Population Pressure

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434 While low incomes and inherent excess of expenses over incomes are basic problems of Bangchan, discussions in the early chapters reveals that there are some factors contributing to the acuteness of the basic problems. One

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243 161 178 464 Finally, it has been pointed out that the kind of training and the type of financial preparation given to young married couples have served only to confirm Bangchan people to their preference for rice cultivation. This together with limited job opportunities open to them elsewhere have tended to keep the villagers on the farms, and thus have tended to regenerate the condition of population pressure in Bangchan.

Lack of Effective Control and Regulation of Water Supply

243 458 Another contributing factor is the lack of effective control and regulation of water supply, which has caused annual fluctuation of rice crop. On the whole, this crop fluctuation is not as high as is the case in most of rice [731] growing areas elsewhere. Famine certainly has not been known in Bangchan. Nevertheless, it is a certain sector of rice growers -- the marginal farmers with limited ability to adjust or with relatively little command over capital -- who are seriously affected by annual fluctuation of rice crop.

243 426 When affluent farmers have a poor crop, their credit purchase accounts may go up beyond the normal level, but they are usually in a position to clear this type of high interest bearing debts at the end of the business year by their net cash incomes or at least by securing loans with lower rates of interest to pay the accounts. On the other hand, marginal farmers are not in a position to seek low interest bearing loans. In case of crop failure, therefore,

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*243 these marginal farmers who cannot settle their credit pur-
• 426 chase accounts have to bear the burden of high interests on their accounts which are carried over to the following year.

*243 Although weather conditions are not controllable,
312 water levels in Bangchan are subject to partial control through irrigationand drainage. The range of water adjustment for each farm is nevertheless small. At the beginning of the season, there is too little water in the main canals to be accessible to farmers. Thus, even though Bangchan operators are equipped with their own irrigation facilities, they still have to rely entirely on the rains to start their first step of field preparation. Again, during the inundation period the water level in the main canals, which are the only channel through which excess water may be drained away, is too high to permit any draining at all. It is seen, then, that the critical period is almost limited by weather conditions whichvary from year to year.

The problem stated above was recognized as early as 1903 when J. H. Van der Heide, a Dutch irrigation expert who was hired by the Thai Government to draw up an over-all irrigation plan for the nation, published his report suggesting an elaborate plan hinging on construction of a barrage across the Chao Phya River at Chainat.[1] Van der Heide pointed out that besides the improved yields of rice, the

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1. J. H. Van der Heide, General Report on Irrigation and Drainage in the Lower Menam Valley.

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Relative to the enormous problem created by export and exchange control, the internal marketing problem now appears to be small at least in its relative effect on rice growers. It is true that the Chinese combines in the forms of Rice Dealers' Association and Rice Mills' Association have consolidated economic influence in favor of the Chinese middlemen in Bangkok. But it is equally true that competition among the Chinese rice dealers and millers in the countryside also has worked to the advantage of growers.

It has been observed that the Chinese dealers in Bangchan offer prices to farmers that scarcely differ from prices that the farmers could get from the millers if they were to break the existing pattern and deal directly with the millers themselves. This would often be possible because most of the local farmers possess the large chala boats needed to convey paddy to the mills which are only a few miles away. Actually, the Chinese rice dealers and Bangchan farmers have been observed to be in a rather efficient state of economic symbiosis that compares favorably [186] with most inter-ethnic divisions of labor. Further attestation is found in that there appears to be extremely little anti-Chinese sentiment among the villagers, and this is despite the fact that the national government has from time to time taken somewhat spirited measures against the [426] Chinese. The favors, non-interest bearing loans, and good will gestures accorded the Thai farmers by local Chinese dealers should also be taken into consideration.

434 in the canals, some cash is also needed to last the farmers
453 through the festive and merit-making dry season.

Since most of Bangchan operators are farmers whose incomes are barely or not at all enough to cover their household expenses, very few could hold their paddy stock for sale in the second period when higher prices may be expected.

[454] It has been observed that Bangchan farmers do not want to keep cash in their homes for fear of robbery. This is probably another reason for the withholding of paddy from sale in the first period in addition to the prospect of better prices. These few affluent farmers who have some paddy for sale in the second period have to sell it all before the arrival of new crop which often floods the market and forces the prices down.

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[426] Farmers usually arrange that payment for their paddy be made in the market town where they immediately pass most of the cash on to their creditors or sellers of the goods they plan to buy on that date. On the way home, they would stop over at the village stores to settle their other accounts. Thus, by the time they are back at home there is not much cash on hand to worry about. The few affluent farmers would do the same thing in their early sales -- that is, they would sell only a small portion of their crop so that there will be only a small amount of cash left on hand by the time they are back at home. In their later sales, however, these farmers must have a large amount of cash. It has

43 been observed that arrangement is often made to pass the excess cash on to other people -- usually borrowers or sellers of land or capital goods.

It is seen, then, that only a part of cash payment for surplus paddy sold by Bangchan operators is brought into the village, and that the amount brought in would not stay long in the village either.

It is also seen that this dread of cash together with the normally low net cash return from rice because of relatively high cost of production have tended to keep the money supply in the village at the minimum level even during the harvesting season.

• 426 To offset the low money supply, credit is extensively used in the village, especially after July until December when cash received from the sale of paddy has been all used [436] up and the sale of the new crop has not started. Paddy is also used as medium of exchange.

It has been shown that debt is widespread in Bangchan, and that the modal interest rate was 24 per cent per year for loans and 50 per cent per year for credit purchase accounts. No matter how extensively credit is employed, these high rates of interest indicate that there is still a scarcity of credit itself and of credit facilities in the village.

Scarcity of credit is indicated not only by high apparent rates of interest but also by discounts and premiums of various forms. Some of these are: (a) Tog khao wherein

426 two tang of rice are required to pay at harvest time for one tang of rice borrowed during the cash-scarce work season; and (b) Toq reeng wherein an advanced payment of say 10 - 15 baht is made for a promise to harvest one rai of paddy which normally brings in a cash wage of 25 - 30 baht payable on the day the work is done.

Scarcity of credit and the consequent high interest rates naturally discourage productive investment, for those who need operating capital certainly cannot afford to pay for these high rates of interest and those who have cash at all would do much better by straight lending.

426 471 184 Scarcity of cash and credit in the village is a blow especially to the marginal farmers who comprise the majority of Bangchan operators. These are farmers with a low index of capital formation potential who are often found among the land-thirsty category of operators. It has been pointed out that farmers with a high index of capital formation potential could more easily adjust their credit situation and thus are able to avoid high interest bearing debts. The marginal farmers, on the other hand, cannot do likewise. Scarcity of cash and credit and its consequences -- high interest rates and discounts and premiums of various forms -- have certainly put these marginal farmers at a most disadvantageous spot of receiving less for the same unit of labor and product and of having to pay more for the same unit of goods. Under this circumstance, the gap between the affluent and the less affluent farmers is ever increasing.